



HUDSON BAY MINING AND SMELTING CO., LIMITED

annual
report
1968



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CONTENTS

2	DIRECTORS AND OFFICERS
3	COMPARATIVE HIGHLIGHTS, TRANSFER AGENTS, REGISTRARS, ETC.
4	REPORT OF THE DIRECTORS
6	CONSOLIDATED BALANCE SHEET
8	CONSOLIDATED STATEMENT OF EARNINGS
9	NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
10	SOURCE AND APPLICATION OF FUNDS AND AUDITORS' REPORT
11	PORTFOLIO OF INVESTMENT SECURITIES
13	TEN YEAR RECORD
14	REVIEW OF OPERATIONS
21	REVIEW OF SUBSIDIARY AND AFFILIATED COMPANIES
26	PROPERTIES AND SUBSIDIARIES
27	LOCATION MAP
28	OPERATING PERSONNEL

FORTY-FIRST ANNUAL MEETING OF SHAREHOLDERS

April 25, 1969 at Royal York Hotel, Toronto, Canada

A request for proxies will be mailed to all shareholders during the latter part of March, 1969.

HUDSON BAY MINING AND SMELTING CO., LIMITED

directors

E. S. AUSTIN	Winnipeg, Man.
<i>President, HUDSON BAY MINING</i>	
C. W. ENGELHARD	Newark, N.J.
<i>Chairman, ENGELHARD MINERALS & CHEMICALS CORPORATION</i>	
G. M. FRANCIS	West Englewood, N.J.
<i>Director, WHITNEY INDUSTRIES, INC.</i>	
W. A. GREEN	Riverside, Conn.
<i>Past President, HUDSON BAY MINING</i>	
A. T. LAMBERT	Toronto, Ont.
<i>Chairman and President, THE TORONTO-DOMINION BANK</i>	
J. F. MCCARTHY	Toronto, Ont.
<i>Secretary and Treasurer, HUDSON BAY MINING</i>	
H. C. F. MOCKRIDGE, Q.C.	Toronto, Ont.
<i>Senior Partner, OSLER, HOSKIN & HARCOURT</i>	
M. W. RUSH	Toronto, Ont.
<i>Chairman, HUDSON BAY MINING</i>	
C. V. WHITNEY	New York, N.Y.
<i>President, WHITNEY INDUSTRIES, INC.</i>	
W. D. WILSON	London, Eng.
<i>Director, ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED</i>	

officers

M. W. RUSH, <i>Chairman of the Board</i>	Toronto
E. S. AUSTIN, <i>President</i>	Winnipeg
W. A. MORRICE, <i>Executive Vice-President</i>	Flin Flon
H. A. MCKENZIE, <i>Executive Vice-President</i>	Winnipeg
C. O. BUCHANAN, <i>Vice-President—Sales</i>	Toronto
L. W. OGRYZLO, <i>Vice-President—Exploration</i>	Toronto
DR. C. L. SARTHOU, <i>Vice-President—Marketing</i> (Sylvite Division)	Winnipeg
J. F. MCCARTHY, <i>Secretary and Treasurer</i>	Toronto
K. S. DALTON, <i>Comptroller</i>	Winnipeg
A. R. BLAKE, <i>Assistant Secretary and Assistant Treasurer</i>	Winnipeg
E. A. RUMMERY, <i>Assistant Secretary and Assistant Treasurer</i>	Winnipeg

COMPARATIVE FINANCIAL HIGHLIGHTS

	1968	1967
Operating Revenue.....	\$79,699,926	\$72,351,946
Investment and Other Income.....	1,965,946	1,612,232
Net Earnings.....	21,134,880	16,718,617
Working Capital.....	27,050,816	36,576,074
Marketable Securities.....	20,082,770	21,166,097
Exploration and Other Interests.....	9,303,501	3,696,685
Retained Earnings.....	78,715,018	69,131,205
Net Earnings per share.....	7.42	5.93
Dividends per share.....	4.00	3.90

HUDSON BAY MINING AND SMELTING CO., LIMITED

HEAD OFFICE.....333 Broadway, Winnipeg 1, Manitoba.
 TORONTO OFFICE.....Toronto-Dominion Centre, Toronto 1, Ontario.
 MINE OFFICE.....Flin Flon, Manitoba.
 EXPLORATION OFFICES.....Toronto, Vancouver and Flin Flon.

TRANSFER AGENTS

THE ROYAL TRUST COMPANY.....Montreal, Toronto, Winnipeg, Calgary, Vancouver.
 MORGAN GUARANTY TRUST COMPANY OF NEW YORK.....New York, N.Y.

REGISTRARS

MONTREAL TRUST COMPANY.....Montreal.
 CROWN TRUST COMPANY.....Toronto, Winnipeg, Calgary and Vancouver.
 THE CHASE MANHATTAN BANK.....New York, N.Y.

AUDITORS

DELOITTE, PLENDER, HASKINS & SELLS.....Winnipeg.

REPORT OF THE DIRECTORS

Earnings

The year 1968 was a favorable one for the Company. Net earnings, \$21,134,880, were 26 per cent greater than the previous year and the highest on record. After allowing for the issue in December of 168,138 new shares in connection with the acquisition of the Sylvite of Canada property and for 19,000 new shares allotted to holders of stock options, the weighted earnings per share were equivalent to \$7.42, compared with \$5.93 for 1967.

The improvement can be attributed to a number of factors including, higher copper and zinc production, increased gain on sale of investments, and treatment of tax-free ore from the new Osborne Lake mine, which commenced production on July 2nd.

Dividends

Four quarterly dividends of 85 cents each were paid by the Company in March, June, September and December. In addition, a year-end extra dividend of 60 cents was paid, making a total distribution for the year of \$4.00 per share, compared with \$3.90 per share in 1967. Total dividend disbursements during 1968 were \$11,551,000, as compared to \$11,000,000 for the previous year.

Metal Prices

The Canadian domestic copper price held at 51c per pound and the price to United States customers at 47.5c (U.S.) per pound until July, when they were lowered to 45c and 42c (U.S.) respectively. Overseas copper sales were based upon the London Metal Exchange three months' quotation until July, when the L.M.E. cash quotation became effective. Throughout the year, the L.M.E. quotations ranged from the equivalent of 45.5c (U.S.) per pound to 85.8c (U.S.), and averaged 55.2c (U.S.).

Canadian and East St. Louis prices for Prime Western zinc were stable throughout the year at 13.5c (Can.) and 13.5c (U.S.) respectively. The overseas producer price for zinc also remained constant at the equivalent of 12.0c (U.S.) per pound.

Silver prices were subject to wide fluctuation throughout the year, ranging from \$1.81 (U.S.) per ounce to \$2.57 (U.S.). The year end price was \$1.94 (U.S.) per ounce.

A two-tier price system for gold was established in July. As against the official price of \$35 (U.S.) per ounce the free market price, at which our Company's product was sold, reached a peak level of \$42 (U.S.) per ounce at the close of the year.

Markets

The demand for copper and zinc was good throughout the entire year. Our production of these metals was sold in the following markets:

	Copper	Zinc
Domestic	32%	47%
U.S.A.	6%	24%
Overseas	62%	29%

Ore Reserves

New ore developed by the Company during the year amounted to 2,342,000 tons; approximately 728,000 tons more than the tonnage of ore mined. An interesting development in this regard was the completion of exploratory work on the Company's Wim claims, located 10 miles north of the Town of Snow Lake. A mineable orebody of slightly over 1,000,000 tons grading approximately 3 per cent copper has been outlined by diamond drilling to a depth of 2100 feet. The new orebody when developed will be known as the Wim Mine.

Reserves of proven ore at the year end totalled 17,612,300 tons with the following average assays: Au, 0.04 oz. per ton; Ag, 0.6 oz. per ton; Cu, 3.0%; Zn, 3.8%; and Pb, 0.2%. At the end of the previous year the reserves were 16,884,600 tons.

New Developments

Prior to December 9th the Company was the owner of 51 per cent of the outstanding common shares of Sylvite of Canada Ltd., a company organized in 1966 to develop potash deposits located near Rocanville, Saskatchewan. On the above date the Company increased its interest in this potash project to 100 per cent by acquiring all properties and assets of Sylvite. The transaction required the issuance of 168,138 shares of the capital stock of the Company to the minority shareholders of Sylvite in exchange for their 49 per cent interest. Sylvite of Canada will henceforth be operated as a division of Hudson Bay, with immediate tax writeoff benefits. Progress at the property is detailed on page 23.

On December 16th the Company concluded an agreement for a cash investment of \$7,000,000 (U.S.) in Terra Chemicals International, Inc., of Sioux City, Iowa, in return for newly issued common stock, convertible subordinated notes, and subordinated sinking fund notes. The investment provides Hudson Bay with an equity interest of 15 per cent in Terra, and the right to increase this to 25 per cent through conversion of the convertible notes. Terra owns a chemical complex near Sioux City consisting of a 600-ton per day, new-type ammonia plant, with upgrading

facilities for production of ammonium nitrate, urea, and other derivative nitrogen products. In addition, Terra, whose sales currently exceed \$30,000,000 per annum, has a fertilizer distribution system servicing the central portion of the United States. Hudson Bay's new potash division, Sylvite of Canada, will be the principal supplier of Terra's growing potash requirements. Moreover, the two companies will mutually investigate the marketing of additional potash.

Portfolio

For several years the Company has maintained a substantial investment portfolio, consisting of stocks in leading Canadian and South African companies. During the year advantage was taken of favorable market conditions to dispose of some of these investments in order to provide funds required for the new development programs of our Company. Details of the changes are shown in the listings which appear on page 11. The cost and market value of the portfolio held by the Company at the year end were \$20,082,770 and \$22,512,579 respectively. Gain on sale of investments during 1968 amounted to \$1,503,119, compared with \$561,164 for 1967.

Capital Structure

During December the authorized capital stock of the Company was increased from 3,000,000 shares without nominal or par value to 4,000,000. The number of shares issued and outstanding at December 31st totalled 3,007,611, an increase of 187,138 over the previous year end. Acquisition of full ownership of Sylvite accounted for 168,138 shares of the above increase and exercise of stock options for the remainder. At the close of the year the number of shareholders of the Company totalled 16,360. Of these, 75 per cent holding 80 per cent of the issued shares, were of Canadian registration.

Outlook

The current year has started well and, in common with most metals, the demand for copper and zinc has strengthened, with a rising trend in the prices of these two metals.

Barring a general recession in trading conditions, which at the date of this report appears to be unlikely, the outlook for 1969 is favorable. Factors which could influence the situation are monetary and fiscal policies designed to slow down the rate of economic growth. An early settlement of the Vietnam war would be followed by an adjustment period during which any decrease in copper usage by the armament industry, after allowing for regular defense needs,

would be absorbed by expected growth in non-military consumption.

One menacing cloud continues to hang over the Canadian natural resource industries. The report of The Royal Commission of Taxation, generally known as the Carter Report, was submitted to the then Minister of Finance early in 1967. That report attacked the incentives presently granted to the natural resource industries and, if the philosophy of the report in this regard were to be accepted by the Government, then, in common with the entire mining industry we believe that the most successful natural resource development program in Canadian history would be in jeopardy. It is demonstrable that an appreciable number of large projects involving natural resources could not have been undertaken without the incentives provided by the three year tax holiday and depletion. By the same token, a number of potential mining and exploration programs have of necessity had to be shelved until the fate of the incentives is known.

Directors and Officers

On June 11, 1968, Sir Keith Acutt, K.B.E., a director of the Company for the past six years, resigned his directorship in consequence of mounting pressures of work in Africa and elsewhere. The vacancy so created was filled by the election of Mr. William D. Wilson, an executive director of Anglo American Corporation of South Africa, Limited and a director of Charter Consolidated Limited.

At a meeting of the Board of Directors held on January 23, 1969, Mr. W. A. Morrice, Senior Vice-President and General Manager; and Mr. H. A. McKenzie, Vice-President—Development, were appointed Executive Vice-Presidents of the Company. At the same meeting, Dr. C. L. Sarthou was appointed Vice-President—Marketing (Sylvite Division).

Appreciation

On behalf of your Directors, it is a pleasure to extend to Management and to all employees our thanks for their service, loyalty and co-operation, which made possible the success of the Company during the past year.

On behalf of the Board

Wm. D. Wilson *C. L. Sarthou*

Chairman

President

March 7, 1969.

CONSOLIDATED BALANCE SHEET

ASSETS

	1968	1967
CURRENT ASSETS:		
Cash	\$ 2,243,775	\$ 2,048,880
Short-term securities — at cost (market value 1968 — \$7,513,074; 1967 — \$15,840,802)	7,382,093	15,840,802
Accounts receivable	9,872,369	10,994,359
Inventories (Note 3)	12,727,694	12,771,788
Materials and supplies — at average cost	4,969,035	4,843,254
Total current assets	<u>37,194,966</u>	<u>46,499,083</u>
INVESTMENTS:		
Marketable securities — at cost (market value 1968 — \$22,512,579; 1967 — \$21,483,071)	<u>20,082,770</u>	<u>21,166,097</u>
INTERESTS IN EXPLORATION AND OTHER COMPANIES:		
Unconsolidated subsidiaries (Note 1):		
Capital stock — at cost (equity value)	3,235,415	3,206,699
Advances	<u>3,705,319</u>	<u>2,023,735</u>
	6,940,734	5,230,434
Other companies — at cost (no quoted market value)	<u>7,903,940</u>	<u>3,337,360</u>
	14,844,674	8,567,794
Less provision for future write-offs	<u>5,541,173</u>	<u>4,871,109</u>
	<u>9,303,501</u>	<u>3,696,685</u>
PROPERTY, PLANT AND EQUIPMENT — at cost:		
Plant and equipment	85,446,848	75,619,408
Mineral and other properties	<u>31,505,528</u>	<u>24,636,652</u>
	116,952,376	100,256,060
Less accumulated depreciation and depletion	<u>67,811,324</u>	<u>65,355,216</u>
	<u>49,141,052</u>	<u>34,900,844</u>
OTHER ASSETS:		
Prepaid preparatory mining expense	27,751,821	13,678,074
Special refundable tax and accrued interest	608,362	1,000,047
Sundry assets and deferred charges — at cost	<u>4,094,304</u>	<u>4,299,155</u>
	32,454,487	18,977,276
	<u>\$148,176,776</u>	<u>\$125,239,985</u>

CONSOLIDATED STATEMENT OF EARNINGS

	1968	1967
REVENUE:		
Sales of products	\$ 78,836,678	\$ 71,560,706
Less freight, refining and selling expenses	7,611,186	6,722,887
	<u>71,225,492</u>	<u>64,837,819</u>
Sales of power and tolls from treatment of custom concentrates	863,248	791,240
Income from investments	1,793,287	1,518,065
Other income	172,659	94,167
	<u>74,054,686</u>	<u>67,241,291</u>
COSTS AND EXPENSES:		
Production costs	31,904,102	31,277,507
Preparatory mining expenses charged to operations	3,006,210	2,513,858
Provincial royalties	2,746,191	2,381,065
Taxes, other than on income	1,294,555	1,219,463
General administrative expenses	1,410,819	1,192,538
	<u>40,361,877</u>	<u>38,584,431</u>
PROVISION FOR:		
Depreciation	1,924,140	1,826,344
Depletion	692,986	652,875
Exploration expenditures	2,500,000	2,400,000
	<u>5,117,126</u>	<u>4,879,219</u>
ESTIMATED TAXES ON INCOME:		
Current	4,635,000	6,325,000
Deferred (Note 4)	4,005,000	963,000
	<u>8,640,000</u>	<u>7,288,000</u>
EARNINGS FROM OPERATIONS	19,935,683	16,489,641
GAIN ON SALE OF INVESTMENTS	1,503,119	561,164
	<u>21,438,802</u>	<u>17,050,805</u>
MINORITY INTERESTS IN EARNINGS OF CONSOLIDATED SUBSIDIARIES	303,922	332,188
NET EARNINGS FOR THE YEAR—transferred to retained earnings	<u>\$ 21,134,880</u>	<u>\$ 16,718,617</u>

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

BALANCE BEGINNING OF THE YEAR	\$ 69,131,205	\$ 63,412,433
Add net earnings for the year—\$7.42 per share (1967—\$5.93) (Note 7)	21,134,880	16,718,617
	<u>90,266,085</u>	<u>80,131,050</u>
Deduct dividends paid — \$4.00 per share (1967—\$3.90)	11,551,067	10,999,845
BALANCE END OF THE YEAR	<u>\$ 78,715,018</u>	<u>\$ 69,131,205</u>

The accompanying notes are an integral part of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. The accompanying consolidated financial statements include the accounts of Hudson Bay Mining and Smelting Co., Limited and the following subsidiaries:

Churchill River Power Company Limited
Zinc Oxide Company of Canada Limited (including its wholly owned subsidiary)
Hudson Bay Diecastings Limited
Hudson Bay Holdings Limited
Francana Oil and Gas Ltd. (60% owned)
Hudcana Development Corporation Ltd. (60% owned)
Francana Minerals Ltd. (60% owned by Hudcana Development)

The accounts of other subsidiaries are not consolidated herein because they are inactive, in the development stage or operate at cost and therefore have had no earnings or losses since acquisition. The accounts of such unconsolidated subsidiaries, in the aggregate, are not significant.

The accounts of Sylvite of Canada Ltd. (51% owned) were not included in the 1967 consolidated financial statements. The properties and net assets of this company were acquired by Hudson Bay Mining and Smelting Co., Limited on December 9, 1968 and accordingly are included in the 1968 figures. In order to provide more meaningful figures, the 1967 comparative figures have been revised to reflect the accounts of Sylvite on a consolidated basis.

The 1967 comparative figures also have been revised to reflect on a consolidated basis the accounts of Francana Minerals Ltd., which accounts were not consolidated in 1967.

2. Foreign currencies have been converted to Canadian dollars as follows: revenue and expenditure, non-current assets and liabilities at rates in effect at dates of transactions; current assets and liabilities at rates in effect at the end of the respective years.

3. Inventories at December 31 comprise the following:

	<u>1968</u>	<u>1967</u>
Metals and crude oil, at estimated sales value....	\$10,633,735	\$11,340,083
Metals in process, at cost....	1,295,408	1,050,133
Manufactured and other products (finished, in process and raw materials), at cost or net realizable value, whichever is the lower.....	798,551	381,572
	<u>\$12,727,694</u>	<u>\$12,771,788</u>

4. Deferred income taxes represent tax reductions applicable to future years for expenditures on preparatory mining, mining and oil properties, costs of participation in certain mining companies and depreciation claimed in the determination of taxable income but not charged to earnings.

5. The Hudson Bay Mining and Smelting Co., Limited 1968 Share Option Plan for Full Time Officers and Key Employees, ratified by the shareholders at the Annual General Meeting on April 26, 1968, authorizes the granting of options on 56,000 unissued shares at prices not less than 95% of the market value (full market value in the case of United States citizens) on the day the option is granted. All options expire five years after their date of grant.

On April 26, 1968, options for 25,200 shares were granted at \$54.15 per share (\$57.00 for United States citizens) and to December 31, 1968 options were exercised for 19,000 shares for which the Company received \$1,028,850. As of December 31, 1968 30,800 shares were available for future grants of options and options on 6,200 shares were outstanding.

6. At a Special General Meeting of Shareholders held on December 5, 1968, the shareholders ratified a by-law (subsequently confirmed by Supplementary Letters Patent) increasing the authorized capital stock of the parent company from 3,000,000 shares to 4,000,000 shares without nominal or par value.

Subsequently, on December 9, 1968, the parent company acquired the properties and net assets of Sylvite of Canada Ltd. for the total consideration of \$19,926,678, comprising the issuance of 168,138 unissued shares of Hudson Bay Mining and Smelting Co., Limited at an assigned value of \$9,583,866 and the issuance of a demand non-interest bearing note of \$10,342,812. The shares and note were distributed by Sylvite to its shareholders, the note being returned to Hudson Bay Mining and Smelting Co., Limited for its 51% interest, and the shares being distributed to the minority shareholders.

7. Net earnings per share for 1968 have been calculated on the basis of 2,850,039 shares, being the weighted average number of shares outstanding during the year. The comparative figure for 1967 is based on the number of shares outstanding at December 31, 1967.

8. The capital expenditures required during the next two years to bring the Sylvite of Canada potash property into production are estimated at approximately \$48,000,000.

9. Total remuneration received by directors, including salaries of officers who are also directors, amounted to \$190,171 (1967—\$183,856).

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

	1968	1967
SOURCE OF FUNDS:		
Operations:		
Net earnings for the year before deducting minority interests	\$21,438,802	\$17,050,805
Depreciation, depletion and preparatory mining expense charges	5,623,336	4,993,077
Provision for exploration expenditures	2,500,000	2,400,000
Deferred income taxes	4,005,000	963,000
	<u>33,567,138</u>	<u>25,406,882</u>
Capital contributed by minority interests	4,735,400	2,183,076
Sale of marketable securities	5,278,404	2,650,075
Issue of shares	10,612,716	—
Special refundable tax	392,316	(353,275)
Decrease (net) in other non-current assets	144,220	(787,369)
	<u>54,730,194</u>	<u>29,099,389</u>
APPLICATION OF FUNDS:		
Dividends paid	11,551,067	10,999,845
Interests in exploration and other companies	8,106,820	2,608,813
Additions (net) to property, plant and equipment	13,738,665	5,290,345
Preparatory mining expenditures	17,079,957	5,142,815
Marketable securities purchased	4,195,077	2,284,602
Acquisition of minority interests in Sylvite of Canada Ltd. (Note 6)	9,583,866	—
	<u>64,255,452</u>	<u>26,326,420</u>
INCREASE (DECREASE) IN WORKING CAPITAL	<u><u>\$(9,525,258)</u></u>	<u><u>\$ 2,772,969</u></u>

The accompanying notes are an integral part of the financial statements.

AUDITORS' REPORT

To the Shareholders of
Hudson Bay Mining and Smelting Co., Limited:

We have examined the consolidated balance sheet of Hudson Bay Mining and Smelting Co., Limited as at December 31, 1968 and the consolidated statements of earnings, retained earnings and source and application of funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1968 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year (after revision of the financial statements for that year as explained in Note 1).

Winnipeg, Canada,
February 21, 1969.

DELOITTE, PLENDER, HASKINS & SELLS
Chartered Accountants.

PORTFOLIO OF INVESTMENT SECURITIES

December 31

HUDSON BAY MINING AND SMELTING CO., LIMITED

	1968	1967
Abitibi Paper Company Ltd.	50,000 shares	50,000 shares
Alcan Aluminium Limited — Common	10,000 "	10,000 "
Alcan Aluminium Limited — 4¼% Preferred	8,125 "	8,125 "
Algoma Steel Corporation Limited	50,000 "	40,000 "
Bell Telephone Company of Canada	50,000 "	40,000 "
Canadian Industries Limited	32,000 "	32,000 "
Canadian Pacific Investments Limited — 4¾% Preferred	22,000 "	22,000 "
Canadian Pacific Railway Company	20,000 "	20,000 "
Debhold (Canada) Limited — 6¼% Preferred	5,000 "	5,000 "
Domtar Limited	30,000 "	30,000 "
DuPont of Canada Limited	20,000 "	20,000 "
Falconbridge Nickel Mines Limited	—	10,000 "
Home Oil Company Limited "B"	—	25,000 "
Imperial Oil Limited	22,000 "	22,000 "
International Nickel Company of Canada Limited	*75,000 "	28,000 "
MacMillan Bloedel Limited	50,000 "	37,000 "
Noranda Mines Limited	*40,000 "	15,000 "
Royal Bank of Canada	—	30,000 "
Supertest Petroleum Corporation Limited	5,000 "	—
Texaco Canada Limited	41,250 "	41,250 "
Trans-Canada Pipe Lines Limited — Common	6,100 "	15,700 "
Trans-Canada Pipe Lines Limited — \$2.75 Preferred	4,625 "	—
Union Carbide Canada Limited	15,000 "	15,000 "
Trans-Canada Pipe Lines Limited — 5% Convertible Bonds — 1989	\$205,000 par value	\$205,000 par value
Imperial Oil Limited — 3% Bonds — 1969	—	50,000 "

*Increases include stock splits.

HUDSON BAY HOLDINGS LIMITED

Anglo American Corporation of South Africa Limited	4,000 shares	4,000 shares
De Beers Consolidated Mines Limited	10,000 "	13,000 "
Blyvooruitzicht Gold Mining Co. Limited	—	60,000 "
Buffelsfontein Gold Mining Co. Ltd.	—	10,500 "
Doornfontein Gold Mining Co. Ltd.	—	35,000 "
Hartebeestfontein Gold Mining Co. Ltd.	—	40,000 "
Libanon Gold Mining Co. Ltd.	—	20,000 "
President Brand Gold Mining Co. Ltd.	—	15,000 "
Vaal Reefs Exploration and Mining Co. Ltd.	—	5,000 "
Western Holdings Ltd.	—	10,000 "
Western Reefs Exploration and Development Co. Ltd.	—	20,000 "

FRANCANA OIL & GAS LTD. AND HUDCANA DEVELOPMENT CORPORATION LTD.

Northern and Central Gas Company Limited	1,500 shares	1,500 shares
Tombill Mines Limited	1,746,200 "	960,200 "

*Osborne Lake Mine,
Snow Lake Area, Manitoba*



production

Year	Copper (tons)	Zinc (tons)	Cadmium (lbs.)	Gold (ozs.)	Silver (ozs.)	Selenium (lbs.)
1959	43,901	62,582	322,792	100,287	1,538,038	100,700
1960	39,833	67,093	366,636	103,708	1,532,111	88,500
1961	39,460	74,869	307,757	88,897	1,278,496	87,600
1962	37,023	80,766	317,495	85,552	1,185,596	76,740
1963	37,301	79,596	316,050	83,878	1,167,160	77,429
1964	40,417	71,012	329,552	80,174	1,179,888	70,335
1965	39,726	71,435	368,208	82,189	1,215,359	62,061
1966	38,268	73,331	352,405	71,202	1,022,009	76,602
1967	38,403	72,061	352,042	70,615	1,040,098	63,316
1968	41,660	80,308	330,872	59,602	970,674	86,346

earnings and dividends

Year	Operating Revenue	Investment and Other Income	Net Earnings	Earnings Per Share	Dividends	Dividends Per Share
1959	\$46,264,851	\$ 794,946	\$ 9,904,613	\$3.59	\$ 8,273,919	\$3.00
1960	47,076,598	946,529	10,351,583	3.75	8,273,919	3.00
1961	47,924,413	905,800	10,971,941	3.98	8,273,919	3.00
1962	49,396,811	1,040,677	11,302,305	4.10	8,273,919	3.00
1963	51,224,671	1,252,771	11,737,063	4.26	8,963,412	3.25
1964	56,377,535	1,435,381	13,095,323	4.75	9,652,905	3.50
1965	61,702,298	1,486,058	15,990,045	5.80	10,342,399	3.75
1966	69,112,153	1,454,342	19,116,388	6.93	11,169,791	4.05
1967	72,351,946	1,612,232	16,718,617	5.93	10,999,845	3.90
1968	79,699,926	1,965,946	21,134,880	7.42	11,551,067	4.00

ore milled and ore reserves

Year	Tons Milled	Tons Reserve	%		Oz./ton	
			Copper	Zinc	Gold	Silver
1959	1,671,000	17,457,600	2.7	5.0	0.06	1.0
1960	1,682,000	15,834,900	2.6	5.2	0.06	1.0
1961	1,683,000	15,286,100	2.7	4.9	0.06	0.9
1962	1,702,000	14,934,000	2.8	4.9	0.06	0.9
1963	1,619,000	15,115,500	2.9	4.7	0.05	0.8
1964	1,585,000	16,627,400	3.0	4.3	0.05	0.8
1965	1,640,000	16,842,400	3.0	4.5	0.05	0.8
1966	1,690,000	16,765,300	2.9	4.4	0.04	0.7
1967	1,588,000	16,884,600	3.0	4.1	0.04	0.7
1968	1,610,000	17,612,300	3.0	3.8	0.04	0.6

REVIEW OF OPERATIONS

production

Metal production for the year was as follows: refined copper, 83,319,207 pounds; slab zinc, 160,616,232 pounds; cadmium, 330,872 pounds; selenium, 86,346 pounds; gold, 59,602 ounces; and silver, 970,674 ounces.

Also produced and sold were 2,816 tons of lead concentrates containing 1,143 ounces of gold, 76,989 ounces of silver, and 3,163,005 pounds of lead.

producing mines

Ore mined from the five producing mines of our Company during the year totalled 1,614,100 tons, an increase of 25,900 tons over 1967. Detail of this production, with average assays, is as follows:

MINE	Tons	AVERAGE ASSAYS				
		Au	Ag	Cu	Zn	Pb
		oz./ton	oz./ton	%	%	%
Flin Flon Mine	806,500	0.05	0.8	2.4	3.1	0.2
Chisel Lake Mine	278,400	0.03	1.1	0.6	14.4	0.7
Stall Lake Mine	230,800	0.05	0.4	4.5	0.8	—
Osborne Lake Mine	177,400	—	0.1	4.6	1.6	—
Schist Lake Mine	121,000	0.05	1.4	5.0	9.1	—

At the Flin Flon Mine pillars and remnants contributed about 94 per cent of the ore mined with the main source of metal being the vertical pillars in the south end of the mine.

The zinc content of ore extracted from the Chisel Lake Mine was significantly higher than in 1967. A development program for the 1450 level was completed and exploration from this level will be carried out during 1969.

Production from the Stall Lake Mine was decreased during the second half of the year, thereby allowing development work to be undertaken in the lower part of the mine on the 2700 and 2850 levels.

Production from the Osborne Lake Mine commenced on July 2, 1968. The ore produced was obtained from No. 9 and No. 10 panels and the development ore stockpile. Development work in No. 3 to No. 10 panels, inclusive, has been completed. Exploration drilling during the year outlined an additional 74,900 tons of ore grading 6.2% copper and 1.4% zinc.

Production from the Schist Lake Mine was reduced during the latter half of the year due to increased development work in the lower sections of the mine.

mines under development

An active development program was in progress throughout the year. The shaft at Anderson Lake Mine was deepened 758 feet to a depth of 2,866 feet below the collar. Four new levels were established, the bottom level being 2650. Diamond drilling and development work during the year outlined an additional 159,800 tons of ore grading 4.3% copper to the 2300-foot level.

The Flexar Mine, of which our Company owns 80% of the outstanding shares, is being readied for production on April 1, 1969. During the year the main shaft was deepened 199 feet to 1,378 feet below the collar. Stope development on all levels will be completed before production gets under way.

All planned construction at the No. 1 shaft site of the Dickstone Mine was completed during the year. At the year end shaft sinking had progressed to 567 feet below the collar. In addition, two main level stations and three sublevel stations had been excavated. Our Company has an agreement with Dickstone

other mining properties

Copper Mines Limited to finance and mine the Dickstone property on a profit-sharing basis.

There was no activity during the year at our Company's wholly-owned White Lake and Ghost Lake Mines.

Of the properties in which our Company holds varied interests, Manitoba Chromium Limited and Baffinland Iron Mines Limited remained inactive. Exploration activity was renewed on the Hudson-Yukon nickel property and further exploration is planned for 1969.

The economic feasibility study of Stikine Copper Limited continued during the year.

exploration

Hudson Bay Exploration and Development Company Limited carried out exploration on its own behalf in Manitoba, Saskatchewan and the Yukon Territory; and jointly with Anglo American Corporation of Canada Limited in other areas of Canada.

Diamond drilling on all Canadian projects in which the Company participated totalled 161,556 feet, with six radiometric and 360 electromagnetic anomalies being tested.

An economic copper deposit, containing an estimated 1,000,000 tons of ore grading approximately 3 per cent copper, resulted from the further drilling of the Wim zone located 10 miles north of the Town of Snow Lake. The Company has included this tonnage in its ore reserve statement.

Encouraging results were obtained on a silver-lead zone in the Yukon Territory. Exploration will be resumed when the Government program for improvement of the Canol road to the property is completed.

Considerable drilling was carried out during the year on a base metal anomaly in Saskatchewan twenty-four miles west of Flin Flon. Further exploration on this property is planned for 1969.

Late in the year the Company participated with Falconbridge Nickel Mines Limited in the drilling of two holes along the boundary between the Company's property and that of Stall Lake Mines Limited. Both holes intersected ore grade material at approximately 1,500 feet below surface and confirmed that the copper orebody of Stall Lake Mines Limited extends into our Company's property.

The Company maintained its financial participation in Mespi Mines Limited which continued its exploration near Timmins, Ontario and near Rouyn, Quebec. Financial participation was also maintained in DeNiza Mining Corporation until their operations in southwestern United States were discontinued early in the year. In Quebec, the Company maintained its interest in Sullipek Mines Inc. whose copper deposit in Lesseps Township, Gaspé, Quebec, is being further explored from underground by an adit.

Three properties were optioned from those submitted to the Company. Four options were dropped and five were left in good standing at the end of the year. In addition, 968 claims and 38,402 acres were acquired, and 1,827 claims and 16,534 acres were dropped, leaving a total of 2,364 claims and 86,284 acres held at the year end. Two prospecting permits, covering approximately 465 square miles, were acquired in Saskatchewan. Sixty-two claims were leased and transferred to Hudson Bay Mining and Smelting Co., Limited.

concentrator

Storage and blending facilities for ores from satellite mines were installed at the crusher. On-stream analysis of mill pulps has improved the control of milling variables, resulting in improved metallurgy.

Treatment of 1,610,000 tons of ore exceeded last year's total by 22,000 tons. Of the above, 49.9 per cent came from the Flin Flon Mine, 17.3 per cent came from the Chisel Lake Mine, 14.3 per cent came from the Stall Lake Mine, 11.0 per cent came from the Osborne Lake Mine, and 7.5 per cent came from the Schist Lake Mine.

Ore treated during the year and the average assays together with comparative figures for the previous year are shown in the table below.

	1968	1967
Tons of Ore Treated	1,610,000	1,588,000
Average Tons per Day	4,400	4,350
Au-oz. per ton	0.04	0.05
Ag-oz. per ton	0.7	0.8
Cu-%	2.8	2.6
Zn-%	5.0	4.3
Pb-%	0.3	0.3

The following concentrates were produced from ore treated:

	Tons	ASSAYS				
		Au oz./ton	Ag oz./ton	Cu %	Zn %	Pb %
Copper Concentrates	283,500	0.16	2.6	15.2	3.8	0.3
Zinc Concentrates	131,300	0.04	1.0	0.7	47.6	0.3
Lead Concentrates	2,800	0.37	26.3	2.1	6.6	53.7

A total of 1,191,000 tons of flotation tailings was produced during the year, of which 834,000 tons were treated in the cyanide section for partial recovery of the gold and silver content. A total of 1,169,000 tons of tailings was stockpiled and the balance used for mine backfill purposes.

The total tonnage and approximate assays of tailings stockpiled to date are as follows:

TONS STOCKPILED	ASSAYS					
	Au oz./ton	Ag oz./ton	Cu %	Zn %	S %	Fe %
47,291,000	0.02	0.3	0.2	0.8	23.8	26.8

*Geophysicists with
electromagnetic equipment*



zinc refinery

Near capacity production was reached during the year. A total of 160,616,000 pounds of slab zinc was produced, an increase of 16,494,000 pounds over last year and exceeded only by production in 1962. Purchase of zinc concentrates from other companies accounted for approximately 10 per cent of the year's production.

The following materials were treated:

	Tons Treated	ASSAYS			
		Au oz./ton	Ag oz./ton	Zn %	Cu %
Concentrates	122,100	0.04	1.1	47.5	0.7
Oxide	43,900	0.01	0.7	61.7	0.7
Custom Materials (Purchased)	21,600	—	0.7	54.4	0.4

Throughout the year 51,500 tons of zinc plant sulfide residue were produced of which 48,500 tons were delivered to the smelter and the remainder sent to stockpile. In addition, 13,000 tons of oxide residue were produced and stockpiled. At year end there were 215,100 tons of zinc plant sulfide residue and 235,700 tons of oxide residue in stock.

Production of metallic cadmium totalled 330,900 pounds, a decrease of 21,200 pounds from 1967.

copper smelter

Treatment of Hudson Bay copper concentrates exceeded that of the previous year by almost 21,000 tons. There was a slight decrease in the treatment of residues and by-products and an increase in treatment of custom concentrates.

The tonnage and average assay values of the material smelted were as follows:

	Tons	ASSAYS			
		Au oz./ton	Ag oz./ton	Cu %	Zn %
Hudson Bay Concentrates	282,400	0.16	2.6	15.2	3.8
Residues and By-Products	82,300	0.16	3.7	2.3	24.4
Custom Concentrates	32,100	—	—	—	—
Direct Smelting Ore	3,700	0.10	1.7	10.9	2.7

The tonnage and metal content of blister copper produced for the Company's account and for shipment to the refinery were as follows:

Tons	Au-ozs.	Ag-ozs.	Cu-lbs.	Se-lbs.
42,302	60,510	980,479	83,742,245	129,963

Smelter oxide recovery amounted to 9,200 tons, assaying 29.2% Zn; 3.2% Cu; 1.4% Cd and 13.4% Pb. This material was delivered to the zinc plant for treatment.

Slag treated in the fuming furnaces totalled 402,000 tons, yielding 34,700 tons of oxide. This oxide, containing 48,829,000 pounds of zinc, was delivered to the zinc plant for processing to slab zinc.

research

The feasibility of replacing the present multiple-hearth smelter roasters with modern fluid bed roasters was studied during the year. Pilot testing using a 25-ton per day fluid bed roaster confirmed the metallurgy but feed handling problems are still under study.

Pilot scale tests on filtration of zinc oxide residue established the advisability of using Roto-belt filters as replacements for the present drum filters.

Further feasibility studies were conducted on possible production of iron and elemental sulphur from pyrite concentrates. Investigations were also carried out to determine the quality of sulphur product.

Considerable work was directed towards beneficiation of ores obtained from our new mines.

Laboratory scale investigations on pressure leaching of zinc concentrates were continued.

Assaying facilities were maintained at a higher volume to include the Yukon exploration program and development of new mines in the Snow Lake area.

power supply

The hydro-electric plant of our Company's wholly owned subsidiary, Churchill River Power Company Limited at Island Falls on the Churchill River completed its first year of operation under total automation without incident. A shortage of precipitation over the watershed resulted in the necessity of removing obstructions from the outlet of Reindeer Lake in order to release storage water required for the hydro-plant. Substantial precipitation will be required over the next few years to restore normal Lake elevations. A secondary source of power is under consideration.

Power generated amounted to 688,210,000 kilowatt hours, an increase of 45,708,000 kilowatt hours over 1967. This is an all-time high.

Light and power requirements for the towns of Flin Flon and Snow Lake were supplied by Northern Manitoba Power Company Limited, a wholly-owned subsidiary of Churchill River Power Company Limited, while the requirements of Creighton, Denare Beach, and the Boundary Area in Saskatchewan were supplied by Northern Power Limited, a wholly-owned subsidiary of Northern Manitoba Power Company Limited.

personnel

At the end of 1968 our Company and its wholly-owned subsidiaries had a total of 3,049 employees. Of these, 619 had been in the Company's employ for 25 years or more and were members of the employees' Twenty-Five-Year Club.

Negotiations with eight Trade Unions, which were in progress at the close of 1967, resulted in the signing of a Collective Bargaining Agreement on March 1, 1968. The three year agreement, retroactive to October 1, 1967, will terminate on September 30, 1970. Terms of this agreement were similar to those negotiated with the United Steelworkers of America on October 1, 1967.

Labour conditions were generally satisfactory although the shortage of qualified labour is still a problem.

Eighteen new homes for resale to employees were constructed at Snow Lake during the past summer. A total of 152 units have now been completed.

During 1968 our Company achieved the best record in Accident Prevention since operations started in 1930. The National Safety Council recognized this improvement with awards to Stall Lake and Flexar Mines and to the Mechanical Department.

*Zinc Oxide Company of
Canada Limited zinc dust plant
showing furnaces and
condensers (right)*

*View of office and
part of plant*



REVIEW OF SUBSIDIARY AND AFFILIATED COMPANIES

Zinc Oxide Company of Canada Limited

The Zinc Oxide Company of Canada Limited which, together with its operating subsidiary Durham Industries Canada Ltd., is situated in Montreal, had a successful year with record sales of zinc oxide and zinc dust. Notwithstanding that a large consumer of oxide suffered a lengthy strike, combined sales of oxide and dust exceeded those of last year by approximately 28 per cent. Some mechanical problems which had manifested themselves in the dust plant were solved during the second half of the year and the design capacity is now being exceeded without any loss of quality.

It is noteworthy that slightly more than 18 per cent of our company's zinc production is now being used in our own processing plants, which include the Diecasting Plant referred to below.

Hudson Bay Diecastings Limited

Hudson Bay Diecastings Limited, located at Bramalea, Ontario, doubled its sales during 1968 when the value of the output exceeded \$4,000,000 and satisfactory profits were earned. The diecasting machine complement was raised from 10 to 12 machines, which is the maximum number that can be installed in the present plant. This company is now a supplier to all four of the major automotive companies and this work load constitutes the bulk of the business. With a view to providing the plant with a better production balance, efforts to expand the manufacture of non-automotive parts are meeting with encouraging results.

Substitute materials continue to threaten traditional zinc markets and in present competitive conditions, the profit margins on diecasting are shrinking. However, with a modern plant and a competent staff, the challenge has so far been faced successfully.

Francana Oil & Gas Ltd.

During 1968 crude oil and natural gas production remained generally at the same level as during 1967, with 860,000 barrels of oil and 1,316,000 mcf. of gas being produced.

Income from all sources increased slightly from \$2,026,000 to \$2,054,000. Earnings after provision for deferred taxes amounted to \$760,000 as compared with \$816,000 in 1967; the decline being attributable in part to increased operating expense, and to a lesser extent to the increase in depreciation write-offs.

The company paid \$423,300 in dividends or \$2.00 per share as compared with \$1.90 per share in 1967. Working capital at year end amounted to \$1,221,000.

Reserves of proven crude oil remaining at year end increased to 13,100,000 barrels, plus an estimated 148,000 barrels of natural gas liquids, an increase of over 2,000,000 barrels after allowing for the production during the year. The increase in reserves may be credited primarily to the implementation of secondary recovery schemes in the Battrum and Willmar fields of Saskatchewan. Similarly, due to acquisition of an interest in wet gas reserves in Alberta, the Company's proven gas reserves increased during the year by slightly over 2 billion cubic feet to 25.3 billion cubic feet.

The year's exploration program, which included 6.2 net Francana dry holes and 1.5 net Francana producers, resulted in a Viking oil discovery in the Kiyiu Lake area of west central Saskatchewan, and a step-out Mississippian producer in the Souris Flat pool. Follow-up drilling will be required to determine the full reserves attributable to the Viking oil discovery.

Significant acquisitions of land and reserves made by the company during the year included:

- 1.7 million acres of Arctic Islands, farmed out under the Pan-Arctic program.

- A 12% interest in 188,000 additional acres in the McKenzie River Basin area.

- 300 sq. mile permit in the Wollaston Lake uranium discovery area of N. Saskatchewan.

- A net carried interest in the large Quirk Creek gas field being developed in southern Alberta.

- An 18% interest in a drilling reservation in the Zama Lake area of northern Alberta.

The Arctic Islands and N.W. Territories properties held by Francana appreciated greatly in value and interest as a result of the important Prudhoe Bay discovery on the North Alaska slope. The Wollaston Lake permit is located in an area which will be the scene of extensive exploration for uranium and other metals. Francana Oil & Gas Ltd. will have an appropriate program of work carried out on the permit during 1969.

Sylvite of Canada

Good progress was made at the potash property during the year with the engineering, construction, and shaft sinking programs proceeding almost on schedule. Expenditures to the year end totalled \$21,713,000, of which \$13,546,000 were spent on shaft sinking.

Freezing of the water-bearing Blairmore formation was started on April 29th, following completion of the freeze plant, and was continued throughout the remainder of the year.

Shaft sinking began on July 23rd and progressed at a satisfactory rate with no major problems being encountered. At the year end the service shaft had reached a depth of 1,303 feet below the collar and was half-way through the troublesome Blairmore formation with 139 feet of tubbing lining in place. The production shaft was at a depth of 1,068 feet at the close of the year.

Surface construction was commenced in early July following erection of the contractor's camp facilities. Piling was installed in designated areas. Foundations for the refinery building, and equipment, were almost complete at the year end. Considerable progress was made on the office building and changehouse, which should be ready for occupancy by late spring.

During the summer months a 30-acre brine reclaim pond was constructed. Because of porous gravel conditions the pond was completely lined with polyethylene sheeting.

An 8-inch water line was laid from permanent fresh water wells to the minesite, a distance of approximately four miles. Construction of a pumphouse at the wells was almost complete at the year end.

Ten employee homes were constructed in Rocanville by the Company, with several of these homes being occupied at the year end.

The operations office, which had been located in Regina, was moved to temporary quarters in Rocanville in mid-December.

Mine planning was organized and studies initiated for selection of continuous boring machines and allied ore handling facilities. The permanent ore hoist selection was made and shaft bottom design with pillar layout was practically completed at the year end. Design of the permanent headframes was also nearly complete.

During the year Sylvite extended its surface holdings in the vicinity of the minesite by acquiring additional land acreage.

The Company has employed a fertilizer marketing expert with responsibility for developing a sound marketing program. In addition, the Company has entered into an agreement with Terra Chemicals International, Inc., of Sioux City, Iowa, whereby Sylvite will supply the potash requirements of that company.

Sylvite is fortunate in having assembled an experienced and capable staff who will efficiently supervise engineering and construction and are preparing for eventual potash production in January, 1971.

*Fracana Minerals Ltd.
Sodium Sulphate Plant,
Cabri, Saskatchewan*



Francana Minerals Ltd.

The new sodium sulphate plant of the above company, located near Cabri, Saskatchewan, was completed on November 10th, about two months later than originally scheduled. Capital investment in the project totalled \$2,583,000.

All operations in 1968 were in the nature of a break-in period for the operating crew and equipment. The usual start-up difficulties were encountered during the initial weeks of operation. Several plant shut-downs were necessary for modifications to equipment, with the result that production was considerably lower than anticipated. By the year end the problems, mostly mechanical, had been overcome and the plant was operating at close to rated capacity.

Production of sodium sulphate during the short period of operation in 1968 totalled 2,200 tons, of which 950 tons were shipped to customers in the pulp and paper industry. Shipments were of a trial nature to introduce the Francana product, which compares favorably in quality and physical characteristics with the products of other Saskatchewan producers. Harrisons & Crosfield (Canada) Ltd. have the exclusive sales contract for sodium sulphate produced by the company.

Approximately 168,000 cubic yards of Glauber's salt, equivalent to 56,000 tons of product, were stockpiled during the year from the Snakehole Lake reservoir. The above stockpile will be supplemented by recovery of additional Glauber's salt from the brine reservoir and by the mining of Glauber's salt from Snakehole and Verlo Lakes.

The plant is being operated on a seven-day per week basis, with a total crew of 21 men, including supervision.

Hudcana Development Corporation Ltd.

During 1968, Hudcana, a 60 per cent owned subsidiary, divested itself of its holdings in Sylvite of Canada Ltd. by a distribution to its shareholders of the shares held in Sylvite. This action was taken preparatory to the purchase of Sylvite's properties and assets by Hudson Bay Mining and Smelting Co., Limited.

Hudcana increased its interest in Tombill Mines Limited during the year from 960,200 shares to 1,746,200 shares, the current holdings representing 38 per cent of the outstanding shares of Tombill.

Hudcana also holds a 60 per cent interest in the common shares of Francana Minerals Ltd. This holding is unchanged from a year ago.

PROPERTIES and subsidiary companies

properties:

FLIN FLON MINE AND METALLURGICAL PLANTS.
SCHIST LAKE MINE.
WHITE LAKE MINE.
CHISEL LAKE MINE.
STALL LAKE MINE.
OSBORNE LAKE MINE.
ANDERSON LAKE MINE.
GHOST LAKE MINE.
WIM MINE.
SYLVITE OF CANADA.

wholly owned subsidiary companies:

CHURCHILL RIVER POWER COMPANY LIMITED.
NORTHERN MANITOBA POWER COMPANY LIMITED.
NORTHERN POWER LIMITED.
HUDSON BAY EXPLORATION AND DEVELOPMENT COMPANY LIMITED.
HUDSON BAY AIR TRANSPORT LIMITED.
BEAVER EXPLORATION COMPANY.
ZINC OXIDE COMPANY OF CANADA LIMITED.
DURHAM INDUSTRIES (CANADA) LTD.
HUDSON BAY DIECASTINGS LIMITED.
HUDSON BAY HOLDINGS LIMITED.

other companies – directly or indirectly controlled:

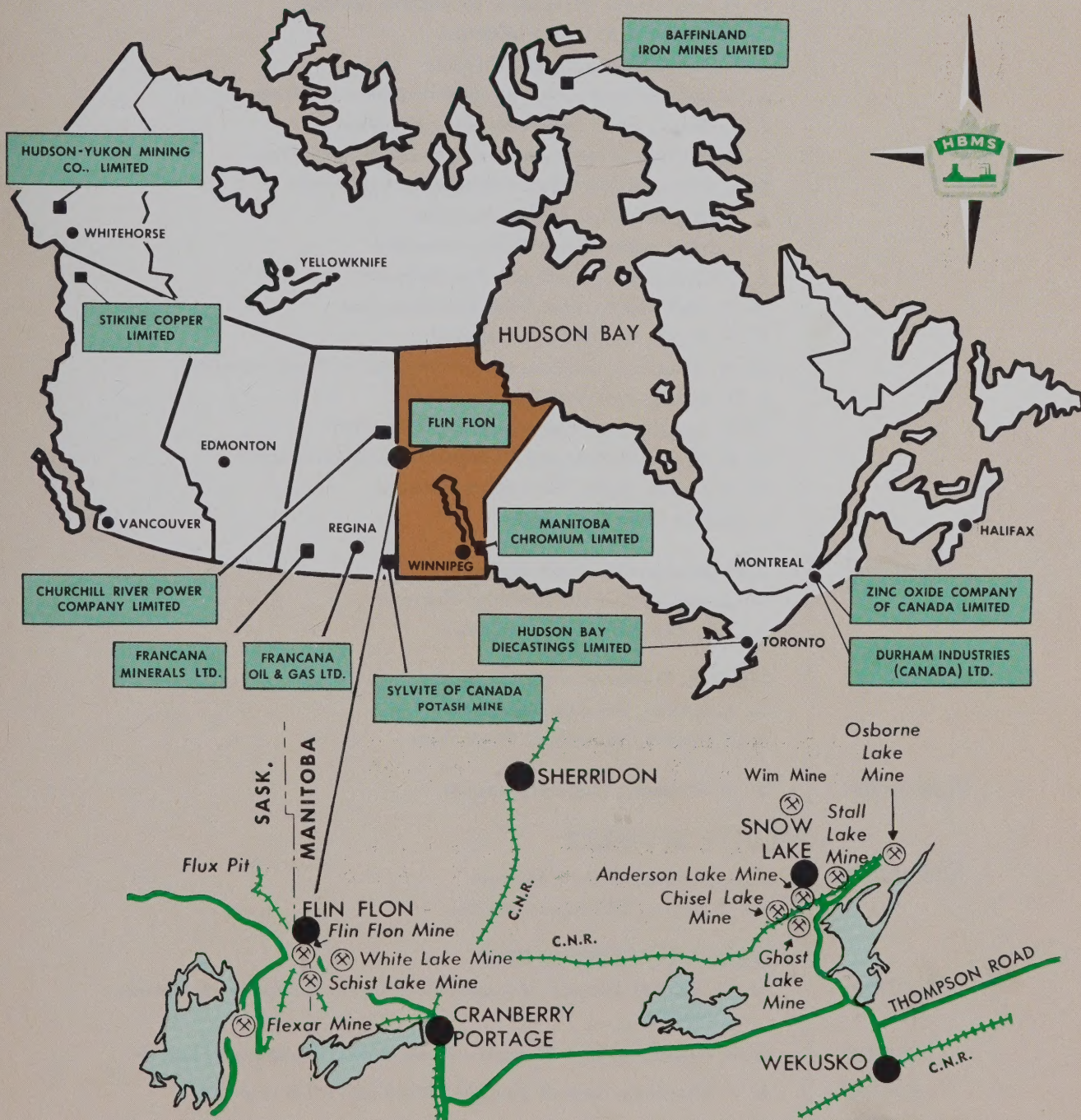
MANITOBA CHROMIUM LIMITED.
FLEXAR MINES LIMITED.
HUDSON-YUKON MINING CO., LIMITED.
FRANCANA OIL & GAS LTD.
HUDCANA DEVELOPMENT CORPORATION LTD.
FRANCANA MINERALS LTD.

properties with mining rights:

DICKSTONE COPPER MINES LIMITED.

LOCATION MAP

showing Canadian properties of Hudson Bay Mining and Smelting Co., Limited
owned wholly or in part



OPERATING PERSONNEL

HUDSON BAY OPERATIONS

Flin Flon

D. J. ROBERTSON, *General Manager*
J. R. G. SADLER, *Assistant General Manager*
G. H. MCINTOSH, *Assistant to the General Manager*
L. G. JOHNSON, *Personnel Manager*
J. R. BRAY, *Superintendent of Mines*
A. E. STEPHANSSON, *Assistant Superintendent of Mines*
J. H. BLACK, *Mine Superintendent—Flin Flon Area*
L. R. NILSEN, *Mine Superintendent—Snow Lake Area*
R. L. PRICE, *Western Superintendent of Exploration*
P. L. MARTIN, *Chief Mining Geologist*
J. N. KIRKBRIDE, *Research Superintendent*
J. E. GOODMAN, *Concentrator Superintendent*
W. E. MCFADDEN, *Zinc Plant Superintendent*
G. H. KENT, *Smelter Superintendent*
M. N. COLLISON, *Mechanical and Construction Superintendent*
S. H. EVANS, *Electrical Superintendent*
F. H. GUMMERSON, *Powerhouse Superintendent*
G. M. WATT, *Surface and Transportation Superintendent*
H. T. OLSON, *Hydro Plant Superintendent*
J. PUTNEY, *Purchasing Agent*

Winnipeg

J. H. BURGOYNE, *Traffic Manager*
M. A. DEVETTE, *Chief Electrical Engineer*
A. EPP, *Manager—Public Relations*

Toronto

DR. J. B. HOWKINS, *Chief Geologist*
K. A. GAMEY, *Resident Geologist*
J. D. PURVIS, *Manager of Metal Sales*

Vancouver

R. A. FREBERG, *Resident Geologist*

SYLVITE DIVISION

Rocanville

J. S. WARICK, *General Manager*
D. C. SMITH, *Mill Superintendent*

SUBSIDIARY COMPANIES

Montreal

D. B. CLARK, *General Manager—Zinc Oxide Company of Canada Limited*

Toronto

G. F. CLARK, *General Manager—Hudson Bay Diecastings Limited*

Regina

A. J. WILLIAMS, *General Manager—Francana Oil & Gas Ltd.*

Cabri, Sask.

R. V. TOMKINS, *General Manager—Francana Minerals Ltd.*

